

**Washington State
Citizens Committee on Pipeline Safety**
PO Box 47250
Olympia, WA 98504-7250



DELIVERED VIA FED-EX

January 24, 2003

Stacey Gerard
Associate Administrator for Pipeline Safety
U.S. Department of Transportation
Research and Special Programs Administration
Office of Pipeline Safety
400 Seventh Street, SW
Washington, D.C. 20590

Dear Ms. Gerard:

Subject: State Participation in Integrity Management

I am writing you on behalf of the Washington State Citizens Committee on Pipeline Safety ("WCC"), which I chair. The WCC wants to recommend that OPS take action to get the matter of state participation in out-of-state inspections resolved. We would like to learn your response to our questions on page two.

The WCC is made up of thirteen members representing local governments and the public, including four members representing the pipeline industry. The group's charge is to advise state, federal and local government agencies and officials on matters relating to hazardous liquid and natural gas pipeline safety.

At our regular meeting of November 13, 2002, WCC members learned that in late August 2002, the Office of Pipeline Safety ("OPS") informed state pipeline safety programs that OPS would no longer allow use of federal pipeline safety grant dollars for states that needed to travel out of state to participate in pipeline company inspections under the Hazardous Liquid Pipeline Integrity Management Rule (49 CFR Part 195.452). We understand that this message was initiated based on a revised legal interpretation from OPS's Deputy Counsel, Ms. Barbara Betsock.

We are also aware that in August 2002, the General Accounting Office ("GAO") completed a report to Congress on Pipeline Safety and Security (Report Number GAO-

02-785) where the topic of integrity management and the OPS's plans for ensuring compliance with this rule were specifically addressed. We have learned that GAO's report identified including state pipeline safety inspectors in the Integrity Management Program ("IMP") as a critical need on the part of OPS in order to assure the program's success¹. GAO reported that "state pipeline safety inspectors are an invaluable resource for OPS because they are familiar with pipeline safety issues unique to their states..."² We understand that states with Interstate Agent status, such as Washington, would be the ones working with OPS in this partnership necessary to accomplish the agency's regulatory goals under this rule.

Because IMP and the concept of pipeline risk management is the centerpiece of OPS's current regulatory scheme for hazardous liquid pipelines, and because an equivalent rule for natural gas transmission pipelines is anticipated shortly as well, we find it hard to understand how OPS can proceed under the current situation with its state partners. The Committee strongly recommends that this situation be resolved quickly so that OPS can maintain its schedule of comprehensive IMP inspections as outlined in the GAO report.

The Committee would like to hear what steps OPS is taking to get the matter of out-of-state inspection participation. We would appreciate a response to the following questions:

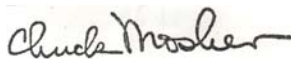
1. Is OPS seeking a legislative change to address this issue?
2. Is OPS including the pipeline industry in this issue to help you resolve this problem or to provide lobbying for revised legislation?
3. Is OPS willing to reimburse states for their participation in IMP despite the Deputy Counsel's misgivings?
4. If states cannot travel beyond their borders to conduct inspections, is OPS going to require pipeline companies to make Operations and Maintenance manuals and Integrity Management Plans available to every state?
5. Has OPS revised its IMP workforce plans since the GAO report was published so that it no longer anticipate using state inspectors to conduct the necessary inspections?

¹ "OPS has estimated that it needs to hire 28 inspectors by fiscal 2003, an increase of 50 percent from fiscal 2001, to inspect approximately 1,000 individual integrity management programs for hazardous liquid and gas transmission operators. This estimate is in addition to the approximately 100 of about 400 state inspectors that OPS plans to train and use to assist with inspecting integrity management programs, although some states may need to hire additional inspectors." GAO-02-785, pg 25.

² GAO-02-785, pg 28

Thank you for your attention to our concern and recommendation. The WCC supports the Integrity Management Program as currently described in federal rule. However, we are concerned about the program's successful implementation and have advised Congress of this concern (see attached letter). In addition, the WCC stands ready to assist OPS by providing appropriate testimony in support of additional legislative authority should you decide that is necessary.

Sincerely,

A handwritten signature in black ink that reads "Chuck Mosher". The signature is written in a cursive, slightly slanted style.

Chuck Mosher
Chairman

Attachment

cc: Jim Anderson, NAPSR Chairman
Washington State Congressional Delegation